

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
UNDER SECRETARY OF DEFENSE (COMPTROLLER)
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Approval of the Procurement Process Reform Process Action Team Report

On November 4, 1994, I approved the charter for the Procurement Process Reform Process Action Team. That team was directed to develop a comprehensive plan to re-engineer specific elements of the procurement process within DoD in direct support of far-reaching DoD goals related to acquisition reform. The Process Action Team (PAT) focused its efforts in three subject areas:

- Determining how to identify and disseminate best procurement practices throughout DoD.
- Improving the sole source proposal preparation, evaluation and negotiation process.
- Streamlining the competitive source selection process.

The PAT draft final report was widely disseminated throughout DoD and was utilized to obtain feedback and comments regarding the recommendations in the report. Comments were reconciled through the Acquisition Reform Senior Steering Group (ARSSG), and the team briefed me on January 25, 1995.

I have reviewed the PAT's recommendations and approve them for implementation, as outlined in the report, with the following exceptions:

- Chapter 2, Recommendation 1: After completion of the lead projects, the concept of using Memoranda of Understanding will be evaluated, and a decision made whether to encourage their use.
- Chapter 2, Recommendations 2 and 3: The expanded use of Class J&A's and its impact on competition will be evaluated after the public comment period on the proposed DFARS change.
- Chapter 3, Recommendation 1: The need to submit further legislation related to simplifying the procurement of "fungibles" will be evaluated after the FAR implementation of Title VIII, Commercial Items, of the Federal Acquisition Streamlining Act of 1994.

Implementation of the reports' recommendations will be managed by the Board of Directors set up to oversee the operation of that PAT, in coordination with the Deputy Under Secretary of Defense (Acquisition Reform). The Board of Directors will update the ARSSG on a regular basis. A review with representatives of the PAT will be conducted within six months to assess progress and ensure compliance with the intent of the report.